

RICHARD R. WILSON, P.C.

Attorney at Law

A Professional Corporation

518 N. Center Street, Ste. 1

Ebensburg, PA 15931

(814) 419-8152

888-454-3817 (Toll Free)

(814) 419-8156 FAX

rwilson@rrwilson.net – Email

www.rrwilsonesq.com – Website

851 Twelfth Street

Oakmont, PA 15139

Of Counsel to:

Vuono & Gray LLC

2310 Grant Building

Pittsburgh, PA 15219

(412) 471-1800

(412) 471-4477 FAX

May 31, 2011

Ms. Cynthia T. Brown, Chief

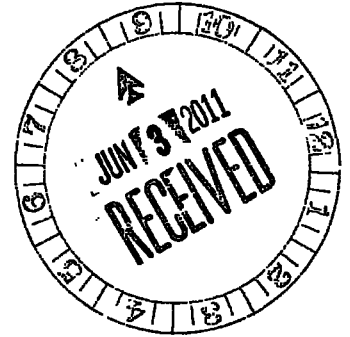
Section of Administration

Office of Proceedings

Surface Transportation Board

395 E Street, SW

Washington, DC 20423-0001



Re: C&NC Railroad, LLC – Lease Renewal Exemption – Norfolk Southern Railway
Company; STB Finance Docket No. 35529

Dear Ms. Brown:

Attached for filing are the original and ten copies of the Verified Notice of Exemption under 49 C.F.R. §1180.2(d)(4), and a check covering the \$1,700 filing fee.

Please date and time stamp the extra copy of the Notice of Exemption and return it to the undersigned in the enclosed self addressed, stamped envelope provided for that purpose.

Very truly yours,

RICHARD R. WILSON, P.C.

Richard R. Wilson, Esq.

FILED

JUN 3 - 2011

**SURFACE
TRANSPORTATION BOARD**

RRW/bab

Enclosures

xc: C&NC Railroad

FEE RECEIVED

JUN 3 - 2011

**SURFACE
TRANSPORTATION BOARD**

**ENTERED
Office of Proceedings**

JUN 3 2011

**Public
Record**

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB FINANCE DOCKET NO. 35529

C&NC RAILROAD, LLC
-LEASE RENEWAL EXEMPTION-
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. §1180.2(d)(4)

ENTERED
Office of Proceedings

JUN 3 - 2011

Part of
Public Record

Richard R. Wilson, Esq.
518 N. Center Street, Ste. 1
Ebensburg, PA 15931
Tel: (814) 419-8152
Fax: (814) 419-8256

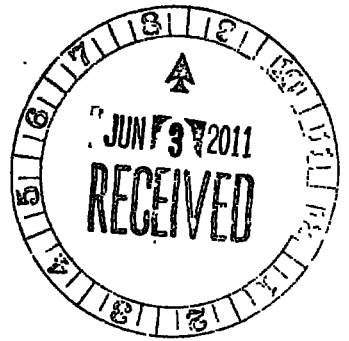
Attorney for C&NC Railroad, LLC

FILED
JUN 3 - 2011
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TRANSPORTATION BOARD

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May 31, 2011

BEFORE THE
SURFACE TRANSPORTATION BOARD



STB FINANCE DOCKET NO. 35529

C&NC RAILROAD, LLC
-LEASE RENEWAL EXEMPTION-
NORFOLK SOUTHERN RAILWAY COMPANY

VERIFIED NOTICE OF EXEMPTION
Pursuant to 49 C.F.R. §1180.2(d)(4)

C&NC Railroad, LLC ("C&NC") formally C&NC Railroad Corporation, files this Notice of Exemption, pursuant to 49 C.F.R. §1180.2(d)(4), to permit C&NC to renew its lease of approximately twenty-one (21) miles of rail line from M.P. CB5.4 at Beesons, IN to M.P. 25.30 at New Castle, IN and from M. P. R0.1 to M.P. R1.16 at New Castle, IN. C&NC has been leasing and operating these lines since 1997. See Finance Docket No. 33475, C&NC Railroad Corporation – Lease and Operation Exemption – Lines of Norfolk Southern Railway Company, et al., (not printed), served October 31, 1997.

In support of this Notice of Exemption, the following information as required by 49 C.F.R. §1180.4(g)(1)(i) is submitted:

Section 1180.6 Supporting Information

(a)(1)(i) Description of Proposed Transaction

Since 1997, C&NC has been leasing and operating this rail line. The line is owned by the Norfolk Southern Railway Company ("NS") and extends from Milepost

CB 5.4 at Beesons, IN to Milepost 25.30 at New Castle, IN and from M.P. 0.1 to M.P. 1.16 at New Castle, IN.

The 1997 Lease Agreement, by its terms, expired on December 9, 2009 and C&NC and NS agreed to continue operations under the terms of the 1997 agreement pending renegotiation of a new lease. On March 11, 2011, the parties executed a new lease for the line subject to obtaining STB exemption authority.

Applicant's representative is:

Richard R. Wilson, Esq.
518 N. Center Street, Ste. 1
Ebensburg, PA 15931
(814) 419-8152

(a)(1)(ii) Consummation Date

C&NC expects to consummate the renewed lease on or after the effective date of the Board's exemption notice.

(a)(1)(iii) Purpose Sought to be Accomplished

The purpose of the proposed transaction is to renew the Lease Agreement which was previously authorized by the Surface Transportation Board.

(a)(5) List of States

The Line is located in Indiana.

(a)(6) Map

A map of the Line is attached as Exhibit 1.

(a)(7)(ii) Agreement

A copy of the Lease is submitted under Confidential cover as an attachment to this filing.

LABOR PROTECTION

No employee will be adversely affected by the renewal of this lease.

INTERCHANGE COMMITMENTS

The renewed lease reflects minor milepost adjustments due to service discontinuance and abandonment of three small track segments which will not affect any rail service provided on the line. In addition, the renewed lease between NS and C&NC contains a provision that will enable C&NC to reduce its lease payments by receiving a credit for each car interchanged with NS. NS initially proposed a fixed rental payment with no option to reduce the rent. C&NC, however, proposed a lease credit option to provide an opportunity for C&NC to earn lower rental payments so that C&NC will be able to invest in improvements on the leased lines to increase traffic levels. The interchange point with NS is New Castle, IN. No other Agreements between the parties contain interchange commitments.

ENVIRONMENTAL AND HISTORIC IMPACTS

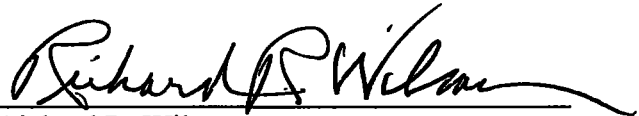
C&NC is renewing its lease of the Line for the purpose of continued rail operations. Further Board approval is required for C&NC to discontinue any service, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are 50 years old or older. Hence, this Notice of Exemption does not require a historic report under 49 C.F.R. §1105.8(b)(1).

C&NC's lease renewal will not result in significant changes in carrier operations. There will not be a diversion of: (1) more than 1,000 rail carloads a year to motor carriage; or (2) an average of 50 carloads per mile per year for any part of these lines to motor carriage. This transaction will not result in: (1) an increase in rail traffic of at least

100 percent or an increase of at least eight trains a day on any segment of the line; (2) an increase of rail yard activity of at least 100 percent; or (3) an average increase in truck traffic of more than 10 percent of the average daily traffic or 50 vehicles a day. The thresholds in 49 C.F.R. §1105-7(e)(5)(ii) will also not be exceeded as a result of this transaction. Finally, this transaction does not contemplate the transportation of any ozone depleting material. Therefore, no environmental documentation is required under 49 C.F.R. §1105.6(c)(2).

This action will not significantly affect the quality of the human environment or energy conservation.

Respectfully submitted,



Richard R. Wilson, Esq.
518 N. Center Street, Ste. 1
Ebensburg, PA 15931
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Attorney for C&NC Railroad, LLC

Dated May 21 2011



Address **Beesons**
Connersville, IN 47357

Get Google Maps on your phone

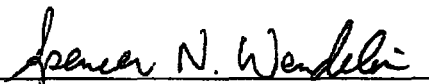
Text the word "GMAPS" to 466453



VERIFICATION

STATE OF INDIANA)
) ss.
COUNTY OF HENRY)

I, Spencer N. Wendelin, being duly sworn depose and state that I am the Operating Officer of C&NC Railroad, LLC, that I am authorize to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.



Spencer N. Wendelin